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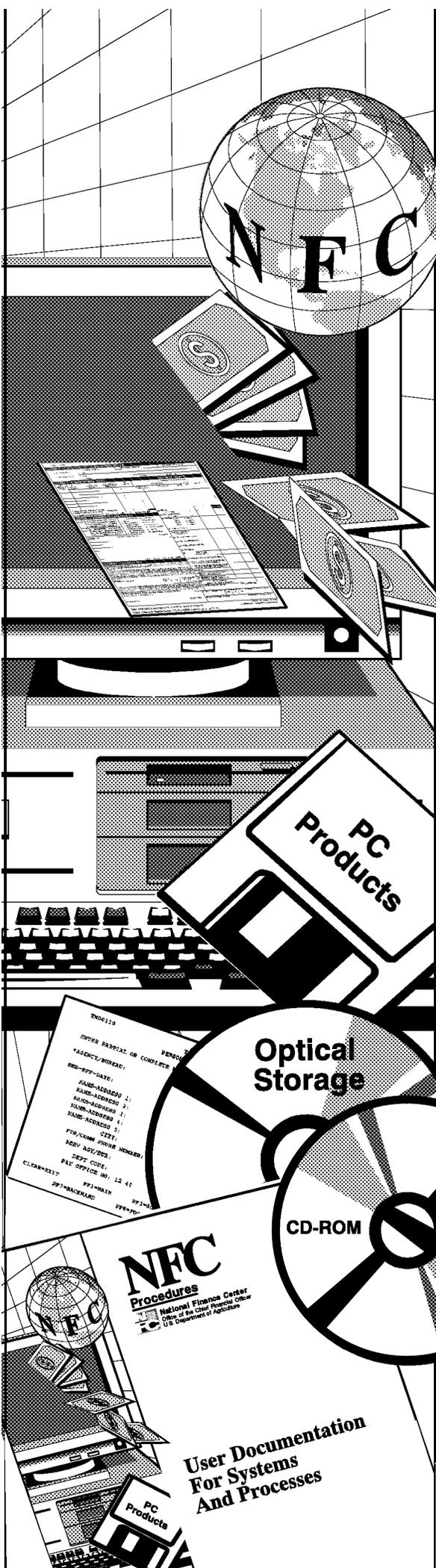
Procedures



National Finance Center
Office of the Chief Financial Officer
U.S. Department of Agriculture

August 1999

Administrative Billings And Collections (ABCO)



TITLE III
Billings And Collections Manual

CHAPTER 4
Administrative Billings And Collections

User Documentation
For Systems
And Processes

NFC
Procedures
National Finance Center
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About This Procedure

This procedure provides general information about the administrative billings and collections processing. The following information will help you use the procedure more effectively and locate further assistance if needed.

How The Procedure Is Organized

The major sections of this procedure are described below:

[Introduction](#) provides general information about administrative billings and collections processing.

[Salary Offset Due To Employee Indebtedness](#) provides information regarding the salary offset process used to automatically make deductions from an indebted employee's disposable pay.

[Bill Initiation](#) provides information regarding the process used by agencies to establish bills for individuals and vendors indebted to the Government.

[Repayment Methods](#) provides information regarding the repayment methods used in resolving debts.

[Forms Completion Instructions](#) provides instructions for the preparation of billing forms used by the Administrative Billings and Collections personnel to establish a billing account that will be automatically issued and monitored until the debt is resolved.

[Exhibits](#) contains illustrations of reports.

[Appendixes](#) contains reference information, such as code lists.

[Glossary](#) defines terms you need to know.

To keep you informed about new or changed information related to this system, NFC issues short publications called bulletins and amendments. This procedure and all related bulletins and amendments are listed in the NFC External Publications Index, issued semiannually.

Pages are numbered consecutively at the bottom of each page. If the procedure is amended, point pages (e.g., 3.2, 3.3, etc.) are used as needed to accommodate additional pages. All amended pages are marked at the bottom with the amendment number and date.

If you begin receiving this procedure after it has been amended, you will receive the publications with all amendments and bulletins. Remove and insert amended pages according to the accompanying page control chart so that your procedure is current. Bulletins are also available on the Internet.

What Conventions Are Used

This procedure uses the following visual aids to identify certain kinds of information:

- Emphasized text within a paragraph is printed in **bold**.

Example:

1 pay period if the agency requests to review the bill.

- Figure and appendix references link figures and appendixes with the text. These references are printed in the bold sans serif font shown below.

Example:

Form AD-673, Request To Bill (**Figure 1**) is used by agencies to establish bills for individuals and vendors indebted to the Government.

- Important extra information is identified by a note icon in the left margin.

Example:



Bills are not issued for amounts less than \$10. These amounts will be automatically taken through a salary adjustment in the ABCO system.

Who To Contact For Help

For questions about the system (including help with unusual conditions), contact Information Center personnel at **504-255-5230**.

For questions about NFC processing, contact the Administrative Billings and Collections Section at **504-255-5442**.

For questions about this procedure, contact the Directives and Analysis Branch at **504-255-5322** .

Introduction

This section gives an overview of the Administrative Billings and Collections System (ABCO) processing including related background information. The ABCO procedure provides:

- An overview of ABCO
- Information on salary offset due to employee indebtedness
- Information on bill initiation
- Repayment methods used to collect debts for employees payrolled at the National Finance Center (NFC)

Overview

ABCO is an accounts receivable system of the U.S. Department of Agriculture (USDA). It provides a method for billing and collecting debts from Federal employees (current, separated, or retired), and other individuals or vendors, having outstanding debts with the Government.

For all debtor accounts established, ABCO monitors the debt and records all collections on the accounts until the debt is resolved. ABCO also processes voluntary (unbilled) collections for which only accounting records are produced and no bill is required.

Bills are established in ABCO for collection of:

- Refunds due for overpayments, erroneous payments, or duplicate payments that are processed in the USDA payroll/personnel and payment systems
- Other refunds incidental to payments processed in USDA commercial payments systems, such as, refunds due from carriers for unused transportation services or from vendors for merchandise returned or not received
- Third party debts, such as, vehicle damage and overpayment of a purchase contract
- Special billings issued in association with reimbursable agreements and Working Capital Fund activities of CAS and FFIS serviced agencies.

How Other Systems Interface With ABCO

ABCO provides accounting data related to revenue, refunds, or reimbursements for the USDA's Budget Cost and General Ledger Systems. It interfaces with other USDA systems, (e.g., Travel and Payroll/Personnel) to properly record billing and collection transactions. ABCO provides automatic recording, aging, and reporting of receivables, which eliminates the need for agency period-end estimates.

ABCO provides online debtor account information through ABCO Online Inquiry (ABCOINQ). ABCOINQ allows agencies to view:

- Refunds due for overpayments, erroneous payments, or duplicate payments
- Refunds due from carriers for unused transportation services or from vendors for merchandise returned or not received
- A list of receivables by debtor/social security numbers
- Collection and adjustment records
- Bill records (including prior bill amount, amount past due, current charges, and bill amount)
- Receivable records (including the original receivable amount, interest paid, and the last payment amount)

For detailed information on using ABCOINQ, see Title VI, Chapter 12, Section 1.

Reporting

ABCO provides periodic reports to agencies. The [Status of Debtor Accounts \(Exhibit 1\)](#) report is generated from the data in ABCO. This monthly report notifies agencies of employee and vendor debtor accounts. It also provides a mechanism for agencies to monitor outstanding accounts receivable and accounts brought current during the last month. This report lists debtor accounts according to debtor number and provides other data, such as outstanding amounts. The data on the Status of Debtor Accounts report comes from agency sources and from feeder systems such as Payroll/Personnel and Travel. Agencies can also generate ad hoc reports through FOCUS. For more information on using FOCUS, contact Information Center personnel at (FTS or Commercial) **504-255-5230** .

Salary Offset Due To Employee Indebtedness

Salary offset may be initiated by submitting corrected Time and Attendance (T&A) reports, personnel actions, AD-343 (Payroll Action Request), or written notification to NFC. After notification has been sent to the employee and a 30-day waiting period has expired, NFC will begin deductions from the employee's salary. The amount of the indebtedness and the amount deducted per pay period depends on whether the indebtedness is major or minor. A major indebtedness exceeds 15% of the employee's disposable pay and will be offset in installments. A minor indebtedness is less than 15% of the disposable pay and is collected in a one-time pay deduction through salary offset.

Debt Collection Act of 1982

The Debt Collection Act of 1982 (Public Law 97-365) authorizes automatic deduction from the indebted employee's disposable pay as a collection procedure. Included in the repayment of the debt are interest, penalties, and administrative costs on overdue debts. It also authorizes the Government to contract for private collection services and to disclose information on debts to credit reporting services and the Internal Revenue Service (IRS).

- The Act does not affect current procedures of indebtedness of child support, alimony, IRS tax levies, etc., covered by other statutes. The U.S. Department of Agriculture

salary offset regulations state that the Department's regulations do not apply to debts or claims arising under the Internal Revenue Service Code of 1954 (26 USC 1-9602); the Social Security Act (42 USC 301-1397f); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by other statutes.

- The Act permits collection of salary-related debts, program debts, and general employee indebtedness by offset against an employee's current or final salary.
- The Act prescribes standards to determine the amount to be deducted from an employee's basic pay, special pay, incentive pay, retired pay, or other authorized pay.

Notice Of Intent To Offset Salary

If the agency requests that NFC issue the salary offset notice, NFC reviews and calculates the debt. The [Notice of Intent to Offset Salary \(Exhibit 2\)](#), is then sent to the employee's personnel office. This notice includes the following information:

- That either NFC, the employee's agency head, or a designee has reviewed the records relating to the debt and has determined a debt is owed, the amount of the debt, and related facts.
- That the NFC intends to deduct not more than 15 percent from the employee's current disposable pay until the debt, accrued interest, and other costs are paid.
- The estimated amount, frequency, proposed beginning date, and duration of the deductions.
- An explanation concerning the current rate of interest. Interest is charged at the current rate established by the Department of the Treasury, unless a Department has regulations allowing a higher rate. Interest is charged on the unpaid balance every month, beginning with the second month after the date on the Notice of Intent to Offset Salary. Interest is not accrued on those debts paid in a lump sum on or before the pay period stated on the notice. The interest rate charged when the debt is computed remains at that fixed rate for the duration of the time used in repaying the debt.

Employee Rights

The employee's rights, which are briefly listed on the Notice of Intent to Offset Salary, explains the following:

- That the employee has the right to enter into a written repayment agreement different from the one proposed, if the terms are agreeable with the agency head or the agency head's designee.
- That the employee has a right to a hearing.
- The method and time period for petitioning a hearing.
- That an employee knowingly submitting false or frivolous statements, representations, or evidence may be subjected to disciplinary procedures under 5 USC Chapter 75 and 5 CFR Part 752; penalties under the False Claims Act, 31 USC 3729-3731; or criminal penalties under 18 USC 286, 287, 1001, and 1002.

- That the employee may request a waiver of salary overpayment from the agency under 5 USC 5584, 10 USC 2774, or 32 USC 716, and that the employee may also question the amount or validity of a salary overpayment or general debt by submitting a claim according to agency instructions. A Federal department head or designee may grant a waiver for any gross debt. Interest is not accrued during the period of time the debt is being considered for waiver and the request to waive suspends the collection process. The agency must notify NFC when an employee has requested a waiver. Employees and NFC must be notified in writing when a debt is waived or the request will be denied.
- That an employee is promptly refunded any amount paid or deducted for a debt which is later waived or found not valid unless there are applicable contractual or statutory provisions to the contrary.

Employee Indebtedness (To Another Department)

If an agency sends an AD-343 or written certification to NFC as notice of an employee's indebtedness to another department, NFC sends the employee [the Notice to Employee When Indebted To Another Department \(Exhibit 4\)](#), informing him/her of the indebtedness and the coming salary offset which is used to collect the debt.

Employee Separation (From His/Her Agency)

If an employee separates from his/her agency through resignation or death before collection of a debt is completed, the balance is automatically collected from any subsequent payments due the indebted employee (e.g., final salary, lump sum payments, etc).

If the employee transfers and the amount deducted does not cover the entire debt, the NFC will notify the gaining agency about the indebtedness, after contacting the losing agency.

In addition to salary offset, when an employee retires from an agency and leaves an indebtedness, his retirement account can be levied against for settlement of the account. After the agency has forwarded to NFC an AD-343 or a written notice, NFC generates and forwards to the debtor an [NFC-631 Bill for Collection \(Exhibit 5\)](#). Accompanying the Bill for Collection, are (1) a [Certified Letter for Indebtedness on A Separated Employee \(Exhibit 6\)](#), which states the reason and amount of the indebtedness, and (2) the [Consent Form \(Exhibit 7\)](#), which shows agreement to offset the retirement account to repay the indebtedness. If a response is not received within 30 days, NFC forwards the [SF-2805, Request for Recovery of Debt Due the United States \(Exhibit 8\)](#), to begin processing the retirement offset. When offset is completed, the payment is forwarded to NFC to properly record and dissolve the debtor account in ABCO.



In attempting to collect repayment of debts, USDA participates in the Treasury Offset Program.

Bill Initiation

The AD-673, Request To Bill, is used by agencies to establish bills for individuals and vendors indebted to the Government.

When NFC receives the AD-673 (or written notification) from the agency, the billing data is entered in ABCO. The Bill for Collection is then generated and sent to the debtor. In addition, when a Bill for Collection is generated for a non-salary related debt (e.g., travel, recertification, etc.) the [Additional Information Regarding Employee Indebtedness \(Exhibit 9\)](#), which explains the employee's rights under the Debt Collection Act of 1982, will accompany it.

Bills are automatically generated 1 and 2 months after the original billing date as a follow-up on all unpaid amounts. Billings may continue until the debt has been resolved. Delinquent statements included with these bills indicate the amount of interest charged on the unpaid balance after 1 month. If the bill is paid within 1 month, interest will not be charged. After the 1-month grace period, interest is accrued and continues to accrue on the unpaid balance every month thereafter until the debt is resolved.



Bills are not issued for amounts less than \$10. These amounts will be automatically offset from an employee's salary in the next pay period if the debtor is payrolled by NFC. Otherwise, the request will be returned to the agency.

Repayment Methods

After an indebtedness has been clearly established for employees payrolled at NFC, the employee must be given:

- Written notice of the debt
- An opportunity to review the record
- An opportunity to enter into a repayment agreement.

For NFC payrolled employees, salary offset is used to collect the debt. Before salary offset begins, the employee must be provided 30 days to decide to:

- Pay the full amount due
- Request a repayment schedule, or
- Request a hearing concerning the debt.

The debt may be repaid by either payroll deductions or a cash payment (check or money order) for the full amount. If the employee has signed a repayment agreement, he/she can have the total amount deducted in a single pay period on or before the pay period specified on the Notice of Intent Offset Salary or the Repayment Agreement. The employee may have less than 15% deducted, but not less than \$25, if the agency's approving official determines that the 15% deduction would create an extreme financial hardship on the employee. In this situation, the approving official's signature and title must be on the Repayment Agreement or facsimile. Specific details in the repayment of debts are listed below.

- If NFC issues the notice of a debt that is less than 15% of the employee's disposable pay, the full amount is automatically deducted in the second pay period after the 30-day waiting period has expired or if the agency has requested deductions to begin in a certain pay period, deductions will be made as per the AD-343.
- If the agency issues the notice of a debt that is less than 15% of the employee's disposable pay, the full amount is deducted in the pay period stated on the AD-343. In

the absence of a stated pay period, the deduction is made on the first pay period after receipt of the AD-343.

- If the employee's debt exceeds 15% of disposable pay and he/she does not sign the Repayment Agreement and is not pursuing any other alternative, 15% of disposable pay is deducted from the employee's pay until the debt is repaid. The deductions begin on the second pay period after the 30-day waiting period has expired.
- If two or more debts have been incurred, the total deductions cannot exceed 15% disposable pay unless the employee consents in writing to a larger amount. NFC must be notified if this situation exists.
- If the employee's salary changes, the amount of the offset is automatically adjusted if an indebted employee (1) receives a reduction in basic pay that would cause the current deductions to exceed 15% of disposable pay or (2) receives an increase in pay that would cause the current deductions to be less than 15% of disposable pay.

Deductions Delayed Or Suspended

- If an agency's authorized official requests that NFC delay or suspend salary offset, additional time may be granted to extend the number of pay periods prior to the initial deduction. Unless NFC is renotified, the initial deduction automatically begins after the extended time has expired. The extended time is as follows:

1 pay period if the agency requests to review the bill.

5 pay periods if the employee requests a hearing.

5 pay periods if a waiver is pending with the agency.

To keep personnel offices fully informed as to the pay periods in which deductions begin, a system-generated report, [Outstanding Salary Offset Debts-Suspended By Agency As Of Pay Period](#) (**Exhibit 10**), is produced each pay period and mailed to personnel offices. The report projects 2 pay periods in advance of the pay period in which salary offsets begin and includes the status codes used to identify the reasons for the extended times requested. The status codes are as follows:

HO - agency requests to review bill

HR - employee requests hearing

WA - waiver pending with agency

Forms Completion Instructions

This section contains completion instructions for the following forms:

- AD-343, Payroll Action Request
- AD-673, Request To Bill

Completing Form AD-343

Form AD-343, Payroll Action Request, (**Figure 1**) is a 3-part form used by agencies to initiate billings for employees payrolled at NFC. The NFC copy and the processing copy must be submitted to the address preprinted on the form which is shown below. The agency's copy should be retained for their files. After the AD-343 is received and processed at NFC the Form NFC-1100, Notice of Intent to Offset Salary, is produced and mailed to the employee's personnel office. The personnel office completes the *Agency Contact* portion of the form and forwards it to the employee.

USDA, National Finance Center
P.O. Box 60000
New Orleans, La. 70160

Form AD-343 may also be used by agencies to bill employees for items other than salary overpayments, such as, travel debts if the agency has already billed the employee and would like to have the indebtedness offset from the employee's salary in the next pay period. The disposition of the form is the same as above, however, the form should be mailed to:

USDA, National Finance Center
Attn: ABCO Section-Billings Unit
P.O. Box 61765
New Orleans, La. 70161

PAYROLL ACTION REQUEST		2. ADJUSTMENT PERIOD (Inclusive)			
		FROM		TO	
1. PERSONNEL OFFICE SEQUENTIAL REQUEST NUMBER		DATE	P/P	DATE	P/P
3. INSTRUCTIONS ON REVERSE OF AGENCY COPY PLEASE READ CAREFULLY		4. FROM			
		AGENCY CODE	PERSONNEL OFFICE IDENTIFIER	ACCT. STATION CODE	
U.S. DEPARTMENT OF AGRICULTURE NATIONAL FINANCE CENTER PO BOX 60000 NEW ORLEANS LA 70160		AGENCY NAME AND MAILING ADDRESS			
		CITY		STATE	ZIP CODE
		5. EMPLOYEE'S T&A CONTACT POINT			
		6. FLSA			
		<input type="checkbox"/> EXEMPT		<input type="checkbox"/> NON-EXEMPT	
		7. RETIREMENT COVERAGE CODE			
		8. TYPE EMPLOYMENT			
		<input type="checkbox"/> FULL-TIME	<input type="checkbox"/> INTERMIT-TENT	<input type="checkbox"/> REEMPLOYED ANNUITANT	
		<input type="checkbox"/> PART-TIME	<input type="checkbox"/> ALTERNATE WORK SCHEDULE		
9. SOCIAL SECURITY NO.		10. EMPLOYEE'S NAME (Last, First, Middle Initial)			
11. NATURE OF ACTION TO BE TAKEN		12. TERMINATED			
		<input type="checkbox"/> NO		IF YES <input type="checkbox"/> YES <input type="checkbox"/> DATE TERMINATED	
		CHECK MAILING ADDRESS OR DESIGNATED AGENT NUMBER			
13. EXPLANATION OF CIRCUMSTANCES WHICH REQUIRE THIS ACTION					
14. GROSS AMOUNT OF ADJUSTMENT		\$			
15. ACCOUNTING DATA TO BE CHARGED AND/OR CREDITED					
16. ATTACHMENTS SUPPORTING OR AUTHORIZING THIS ACTION					
17. PERSON TO BE CONTACTED FOR ADDITIONAL INFORMATION		TELEPHONE (Area Code and Number)			
18. EMPLOYEE'S SIGNATURE AND DATE SIGNED (If Required)					
19. APPROVAL					
AUTHORIZED OFFICIAL'S SIGNATURE AND TITLE		DATE APPROVED			

NFC

FORM AD-343 (USDA) (REV. 11/95)

Figure 1. Form AD-343, Payroll Action Request

Completion Instructions

Complete Form AD-343 according to the instructions below. The block names in the following instructions correspond to the block names displayed on the form.

**Personnel Office
Sequential
Request Number:**

Enter the agency-assigned sequential number to identify the payroll action request. The first request of the year should start with 1. Thereafter, each request is assigned the next number in ascending order. Each leave year, a new series of numbers is issued.

**Adjustment
Period
(Inclusive)
From: Date P/P
To: Date P/P**

Enter the inclusive dates and pay periods for the adjustment. When the request for an adjustment or correction involves one or more previous pay periods, a detailed description is shown Block 13.

**Instructions On
Reverse Of
Agency Copy
Please Read
Carefully**

Do not complete this block.

**From: Agency
Code, Personnel
Office Identifier,
Acct Station
Code, Agency
Name And
Mailing Address**

Enter the 2-digit agency code assigned by the department. Enter the 4-digit code assigned by the agency to the personnel office responsible for processing personnel and other related documents for the employee. Enter the 4-digit accounting station code assigned by the agency. Enter the full name and address of the office preparing the request. NFC does not verify the name shown in this block; therefore, each agency is responsible for establishing internal controls to approve those offices that are authorized to execute this form.

**Employee's T&A
Contact Point**

Enter the applicable contact point code to identify the agency office where NFC can direct inquiries about T&A reports.

FLSA

Check the block to indicate if the employee's position is exempt or nonexempt from the minimum pay and overtime provisions of the Fair Labor Standards Act (FLSA).

**Retirement
Coverage Code**

Enter the code to indicate if the employee's appointment is subject to FICA or retirement deductions at the appropriate percentage rate.

**Type
Employment**

Check the block that indicates the employee's type of employment (full-time, intermittent, reemployed annuitant, part-time, alternate work schedule).

**Social Security
No.**

Enter the employee's social security number to ensure the action is processed against the correct record. No entry or an incorrect entry will result in a processing delay. If the request involves more than one pay period or employee, enter "See Attachment" and list the names, social security numbers, and pay periods on an attachment.

**Employee's
Name (Last,
First, Middle
Initial)**

Enter the employee's full name as it appears on the data base. Enter the last name first followed by (Jr., Sr., III, etc.). If the employee has 2-part (hyphenated or double) last name, separate one part from the other with a space. Do not use a hyphen. Next, enter the employee's first name. If the employee's first name is an initial, or an initial is used rather than a name, enter the initial. If the employee has two or more first names or initials, enter both. Last, enter the employee's middle name or initial. Leave blank if the employee has no middle name. If the request involves more than employee, enter "See Attachment" and list the names and social security numbers on an attachment.

**Nature Of
Action To Be
Taken**

Enter a description of the type of action to be taken. Enter detailed explanations in Block 13. If an employee has different transactions, a separate AD-343 must be used.

Terminated

If applicable, check the appropriate block. If the employee was terminated, enter the date terminated. Enter the employee's mailing address. If the check is to be mailed to a designated agent, enter the agency-assigned 4-digit agency number.

**Explanation Of
Circumstances
Which Require
This Action**

Enter the detailed explanation of the transaction. For an adjustment of pay, show the dollar amount to be adjusted, charges, deductions, rates, hours of duty, leave, and any other pertinent information. For additional space, use a separate sheet and enter "See Attachment".

**Gross Amount
Of Adjustment**

If available, enter the gross amount of the adjustment.

**Accounting
Data To Be
Charged And/Or
Credited**

Enter the appropriate accounting code to be used on the amounts entered in Block 13. If the charges or credits affect multiple accounting distributions, each must be entered. If the correction involves a number of line items, enter "See Attachment" and list the data on an attachment. Also enter the dollar amounts or hours for each line item. In addition to these entries, include the object classification code(s) used for the payment transactions.

**Attachments
Supporting Or
Authorizing This
Action**

Enter a detailed description of each attached document that relates to or authorizes the action. Also, show in parentheses the number of documents attached. This information is very helpful in locating documents accidentally separated from the AD-343.

**Person To Be
Contacted For
Additional
Information**

Enter the name of the person to be contacted for additional information. Enter the telephone number of the person to be contacted including the area code.

**Employee's
Signature And
Date Signed (If
Required)**

The employee should sign and date this block only if the regulations require consent from the employee.

Approval

The authorized official must sign this block and enter his/her title and the date approved.

Completing Form AD-673

Form AD-673, Request To Bill (**Figure 2**) is used by agencies to establish bills for individuals and vendors indebted to the Government. Completion instructions for this form are provided below. When completed, submit the form to the following address:

USDA, National Finance Center
Administrative Billings and Collections Section
P.O. Box 61765
New Orleans, La. 70161

REQUEST TO BILL		
PAYER NAME AND ADDRESS	BILL NUMBER	DATE
CREDIT		
APPROPRIATION		WORK PLAN CODE
PERIOD COVERED		
AGENCY LOCATION CODE (8 Digits)	FROM	TO
OBJECT CLASS	DESCRIPTION	AMOUNT
	AUTHORITY	
AMOUNT TO BE BILLED		
<i>I certify that the above charges are correct and proper.</i>		
AGENCY	DIVISION	DATE
SIGNATURE (Administrative or Liaison Officer)	PHONE (Area Code and Number)	

FORM AD-673 (Rev 4/93) (USDA)

Figure 2. Form AD-673, Request To Bill

Completion Instructions

Complete the AD-673 according to the instructions below. The block names in the following instructions correspond to the block names displayed on the form.

Payer Name and Address

Enter the name and current mailing address of debtor (payer) owing funds.

Bill Number

Do not complete this block.

Date

Enter the date the AD-673 is prepared using the MMDDYY format (e.g., **091598** for September 15, 1998).

Appropriation

Enter the accounting code to be credited when the collection is accomplished.

Work Plan Code

If available, enter the work plan code associated with the funds involved.

Agency Location Code

Enter the agency's location code.

From

Enter the start date of the billing request.

To

Enter the end date of the billing request.

Object Class

Enter the object class to be credited when collection is achieved.

Description

Enter the explanation for the bill.

Amount

Enter the actual charges being billed. If more than one description of debt is involved, separate the amount to be billed accordingly.

Authority

Enter any specific legislation, regulation, or law which is required in the creation of this bill.

Amount To Be Billed

Enter the total of all amounts. Any penalties, interest, or administrative charges incurred will be determined, calculated, and billed as incurred.

Agency

Enter the name or abbreviation of the agency submitting the request for billing.
Include the phone number of the certifying official if clarification is needed.

Division

Enter the name or abbreviation of the agency subdivision or office.

Date

Enter the date the form is completed.

Signature

The person authorized to complete the form must sign his/her name.

Phone

Enter the area code and telephone number of the agency office.

Exhibits

This section contains the following exhibits:

- Report ABCO6I01, Status of Debtor Accounts
- Form NFC-1100, Notice of Intent To Offset Salary
- NFC-1 101, Repayment Agreement
- Notice to Employee When Indebted to Another Department
- NFC-631, Bill for Collection
- Certified Letter for Indebtedness on a Separated Employee
- Consent Form
- Form SF-2805, Request for Recovery of Debt Due the United States
- Additional Information Regarding Employee Indebtedness (employee's rights under the Debt Collection Act of 1982)
- Report ABCO2Y01, Outstanding Salary Offset Debts-Suspended by Agency as of Pay period XX_

1. Report ABCO6I01, Status of Debtor Accounts

REPORT NO. ABCO6I01		USDA-NFC				PAGE		1		
DATE PREPARED 00/00/00		ADMINISTRATIVE BILLINGS AND COLLECTIONS								
AGENCY:01		STATUS OF DEBTOR ACCOUNTS								
U.S. DEPARTMENT OF AGRICULTURE										
DEBTOR NUMBER	SYS	DEBTOR NAME	BILL NO	CLM	ACCT AGNY	BILL AMOUNT	COLLECT AMOUNT	DATE	AMOUNT DUE	AGE
0000000000	00	DOE, MARY J.	012012012		00	3,283.54	.00	00/00/00	3,283.54	0547
1111111111	11	DOE SYSTEMS, I	123123123		22	70.00	.00	00/00/00	70.00	0000
2222222222	22	US GOVT. AGENCY	234234234		01	2,117.97	.00	00/00/00	2,117.97	4300
3333333333	33	US GOVT. AGENCY II	345345345		01	5,000.00	.00	00/00/00	5,000.00	3951
4444444444	44	US OFFICE OF THE SEC	456456456		01	201.00	201.00	07/19/99		0009
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			678678678		01	226.00	226.00	07/30/99		0001
							TOTAL FOR DEBTOR		.00	
TOTAL FOR AGENCY 01:						11,075.31	603.80		10,471.51	

2. Form NFC-1100, Notice Of Intent To Offset Salary

NOTICE OF INTENT TO OFFSET SALARY				
SOCIAL SECURITY NUMBER	BILL NUMBER	IF YOU HAVE ANY QUESTIONS CALL	EMPLOYEE'S NAME	AGY PERS OFC
<p>The above named employee has been overpaid a total of _____ as a result of _____ which was processed during Pay Period _____. In accordance with your salary offset procedures, the Office of Finance and Management's National Finance Center (NFC) is sending this Notice of Intent to Offset Salary to your office. It is your responsibility to furnish the name of your agency's contact in the space provided below and forward the notice and the repayment agreement (if enclosed) to the employee. The top portion of this notice should be detached and retained by your agency.</p> <p>The NFC will begin withholding up to 15 percent of this employee's disposable pay in Pay Period _____ and will continue until the debt is repaid, unless a different repayment schedule is accepted by your agency. An estimate of this deduction is _____, which is based upon the employee's salary for the last pay period. If the employee's salary changes during the repayment cycle, the amount of the deduction will increase or decrease accordingly. If you have questions, please refer to your salary offset procedures, or you may call the number provided above.</p> <p style="text-align: center;">TO BE RETAINED BY AGENCY</p> <p>Date: _____</p> <p>In Reply Refer To: Bill Number _____</p> <p>Subject: Notice of Intent to Offset Salary of _____</p> <p>Our records show that you have been overpaid a total of _____ as a result of _____ which was processed during Pay Period _____. In accordance with your Department's salary offset procedures, we intend to collect this amount by offsetting your salary until the debt and all accumulated interest and other costs are paid in full unless we receive full payment within 30 days from your receipt of this notice. A deduction of up to 15 percent of your disposable pay will begin with Pay Period _____ and will continue until the debt is repaid, unless a different repayment schedule is accepted by your agency. An estimate of this deduction is _____, which is based upon your salary for the last pay period. If your salary changes during the repayment cycle, the amount of the deduction will increase or decrease accordingly.</p> <p>Interest and other costs will be assessed in accordance with 4 CFR 102.13 and 31 USC 3717. The current rate of interest is _____ % per annum.</p> <p>As an employee, you have the following rights:</p> <ul style="list-style-type: none"> ● The right to inspect and copy the records relating to the debt. ● The right to enter into a written agreement for a repayment schedule different from that proposed so long as your terms of repayment are agreeable with your agency. ● The right to request a hearing pursuant to 5 CFR 550.1104(e), 4 CFR 102.2, and existing agency regulations. The hearing will consider the existence of the debt, the amount of the debt, and/or percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will stop collection proceedings. ● The right to a final decision on the hearing at the earliest practical date, but not later than 60 calendar days after you file your hearing petition. ● The right to request a waiver of salary overpayment under 5 USC 5584, 10 USC 2774, or 32 USC 716. You may also question the amount or validity of a salary overpayment or general debt by submitting a claim to your agency. ● The right to have any monies paid on or deducted for the debt which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory provisions to the contrary. <p>Any knowingly false or frivolous statements, representation, or evidence may subject you to disciplinary procedures under 5 USC Chapter 75, 5 CFR Part 752; penalties under the False Claims Act, 31 USC 3729-3731; or criminal penalties under 18 USC 286, 287, 1001, and 1002.</p> <p>If you have any questions or wish to exercise any of your rights as stated above, you must notify the following individual within 30 days from the date of this letter.</p> <p>Agency Contact ></p> <p>If you wish to file a petition for a hearing, you must sign the petition and indicate your knowledge of the existence or amount of the debt, or any part of the debt. You should fully identify and explain all the information and evidence that supports your position. If you would like reconsideration of the percentage of disposable income to be deducted, you should state your reasons.</p> <p>_____, Head Administrative Billings and Collections Section</p> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 20px;"> <div style="border: 1px solid black; width: 40%; height: 60px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 40%; height: 60px; margin-bottom: 10px;"></div> </div> <p style="text-align: center;">< Employee's Name and Address</p> <p style="text-align: center;">Use of Window Envelope is Optional</p> <p>Mail to ></p> <p style="text-align: right;">FORM OFM/NFC-1100 (6/93)</p>				

3. NFC-1 101, Repayment Agreement

REPAYMENT AGREEMENT

I understand that I owe the amount indicated below due to a salary overpayment. Should I fail to return this repayment agreement, 15 percent of my disposable pay will be deducted beginning in the stated pay period. An estimate of this amount is shown below. Deductions will continue until the debt is completely repaid.

I also understand that if I decide to repay the amount owed by any method other than in a lump sum payment, interest at the rate indicated below will be charged on the unpaid balance every month, until the debt is paid in full.

Please sign and return this repayment agreement to the agency contact that is shown on the salary overpayment notice. Your agency contact will forward it to:

┌	USDA, Office of Finance and Management	┐
	National Finance Center	
	Administrative Billings and Collections Section	
	P.O. Box 61765	
└	New Orleans, LA 70161	┘

DEBTOR NUMBER	BILL NUMBER	AMOUNT OWED	EST. DEDUCTION AMOUNT	PAY PERIOD TO BEGIN DEDUCTIONS	INTEREST CHARGED AT % per annum
EMPLOYEE'S NAME					

I choose the following repayment plan (*Check one*):

- 1. I am repaying what I owe in a lump sum. My payment in the amount of \$_____ is enclosed.
- 2. NFC may deduct from my salary the total amount owed in Pay Period_____.
- 3. I do not want to pay it all at once. You may deduct 15 percent of my disposable pay each pay period until the debt is completely repaid.
- 4. I do not want to pay it all at once. You may deduct \$_____ each pay period, which is *more* than 15 percent of my disposable pay.
- 5. I am unable to pay 15 percent of my disposable pay because of a financial hardship. You may deduct \$_____(not less than \$25) each pay period. This repayment amount has been approved by my employing agency. (Signature of agency approving official is required below.)

EMPLOYEE'S SIGNATURE			DATE
AGENCY REPRESENTATIVE'S SIGNATURE (Optional)	AGENCY REPRESENTATIVE'S TITLE	PHONE	DATE
APPROVING OFFICIAL'S AGREEMENT. I agree that the employee may repay the amounts as prescribed in Option 5 above.			
APPROVING OFFICIAL'S SIGNATURE	APPROVING OFFICIAL'S TITLE	DATE	

FORM OFM/NFC-1101 (5/92)

4. Notice to Employee When Indebted to Another Department



**U.S. Department of Agriculture
National Finance Center
Administrative Billings and Collections Section
P.O. Box 61765, New Orleans, LA 70161**

In Reply Refer to: FSD-CLF

May 19, 1999

JOHN DOE
123 MAIN ST
ANYTOWN, USA 12345

Dear MR. DOE:

You have been identified by the Department of Education as being in debt to that Department for a student loan. The amount owed for this indebtedness is \$3,859.65. The Department of Education has asked us to withhold 15 percent of your disposable pay each pay period to offset the indebtedness. The National Finance Center will deduct \$56.89 from your salary in Pay Period 10 and continue deductions until the total amount has been collected.

This salary offset has been taken in accordance with the Debt Collection Act of 1982 and the Department of Treasury Salary Offset Regulations. If you have any questions or concerns regarding this action, you should contact the appropriate officials at the Department of Education.

Sincerely,

Head
Administrative Billings and Collections Section

5. NFC-631, Bill For Collection

BILL FOR COLLECTION																			
<p>SEE REVERSE FOR IMPORTANT INFORMATION</p> <p>To protect the interest of the Government on amounts overdue, the Department of Treasury requires a late payment charge on all delinquent debts. Remittance for the Total Amount Due must be received on or before the Due Date. The interest rate to be applied to the past-due principal is determined quarterly by the Department of Treasury.</p>	<p style="text-align: right;">FOR INQUIRIES CALL</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Please write your debtor and bill numbers on your remittance Payable to:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>Send with the copy of this bill to: ▼</p>																		
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DEBTOR NUMBER	BILL NUMBER	BILL DATE	THE LATE PAYMENT CHARGE FOR THIS BILL WILL BE																
			% PER ANNUM																

FORM OFM/NFC-631 (Revised 3/91)

6. Certified Letter for Indebtedness on a Separated Employee



**U.S. Department of Agriculture
National Finance Center**

P.O. Box 61765, New Orleans, LA 70161

In reply refer to:
FSD-5-MCF

CERTIFIED MAIL - RECEIPT REQUESTED

Dear: Former Employee

Subject: Indebtedness for Salary Overpayment

According to our records and/or information furnished by your former agency, you are indebted to your former agency.

The Federal Claims Collection Standards require that we notify you of the following information:

1. A notation has been placed on your Individual Retirement Record to indicate that you are indebted to the Government and the nature of the debt. See attached consent form.
2. We are requesting that we receive your remittance within 25 days from the date of the attached bill. Your cooperation in returning the copy of the bill with your remittance will be appreciated and will assist us in taking no further action to offset the debt from the funds in your retirement account.
3. If you feel this indebtedness is incorrect, you have 30 days from the date of this letter to request reconsideration of this debt, including the possibility of waiver and/or compromise if applicable. If the question of indebtedness cannot be resolved by review of documentary evidence in this office or your former agency and issues of credibility and veracity exist, you will be provided an opportunity for an oral hearing prior to offset of your debt.
4. If your payment or request for reconsideration is not received within the time limit provided, we will request the Office of Personnel Management to offset your indebtedness from the funds in your retirement account.

5. In addition to a late payment charge being assessed on delinquent debts, we will also assess a penalty charge of 6.000 percent per annum on any unpaid indebtedness balance delinquent for more than 90 days. This charge accrues from the date the debt became delinquent.

If you prefer to have the collection of your indebtedness offset from your retirement account, please sign the enclosed consent form and return it to this office.

The consent form or any correspondence pertaining to your debt should be addressed as follows:

USDA, OCFO, NFC
Administrative Billings and Collections Section
P. O. Box 61765
New Orleans, LA 70161

All payments and any correspondence accompanying the remittance should be sent to the address provided on the Bill for Collection.

In the event you wish to contact us concerning this matter, you may call 1-800-255-5295.

Sincerely,

Head
Administrative Billings and Collections Section

Enclosure

7. Consent Form

CONSENT FORM

I have been advised of my rights concerning my indebtedness to the U. S. Government and hereby agree to have this debt offset from monies in my retirement account.

I understand that the amount due will not be offset against the monies in my retirement account until my Application for Refund of Retirement Deductions (OPM Form 1425 for Civil Service Retirement System employees and Standard Form 3106 for Federal Employee Retirement Systems employees) is received by the Office of Personnel Management.

Debtor Number:

Bill Number:

Signature

Date

Please sign and return this consent form to:

USDA, OCFO, NFC
Administrative Billings and Collections Section
P. O. Box 61765
New Orleans, LA 70161

8. Form SF-2805, Request for Recovery of Debt Due the United States

Request for Recovery of Debt Due the United States	
Name of annuitant or former employee from whom collection is being sought (and other names under which employed)	Retirement Claim Number (include "CSA" or "CSF", as appropriate) CSRS <input type="checkbox"/> FERS <input type="checkbox"/>
Social Security Number	Date of birth
Description of Debt	
Date of termination of service	Amount of debt
Date claim accrued	Amount of interest and other charges \$ _____ due thru (date)
Reason for debt	Additional interest will accrue <input type="checkbox"/> will not accrue <input type="checkbox"/>
Appropriation or fund to be credited (title and symbol number)	Total collection \$ _____
Disbursing officer (name and symbol number)	Amount of each installment \$ _____
Due Process	
I hereby certify that the individual identified above owes the United States a debt in the amount certified; that procedures in 4 CFR 101.1 et seq. and in 5 CFR 831.1801 et seq. or 5 CFR 845 have been followed; and if ordered by a competent administrative or judicial authority, we will reimburse OPM or repay the debtor the amount received from OPM within 15 days of the date of the order.	
Debtor's signed acknowledgment attached	Employee requested review (or hearing, if available)
Debtor's signed Consent attached	Hearing held
If no acknowledgment or consent, complete items below Date actions taken (indicate actions and dates below)	Decision for creditor agency
Creditor agency sent notice of intent to offset	Other (explain) (Attach additional sheets as necessary)
Employee did not respond (consent assumed)	Signature of agency official making certification
Office of Personnel Management Report of Action on Request for Recovery	
<input type="checkbox"/> a) Retirement account is available for immediate set-off. OPM will make payment to you as soon as possible	<input type="checkbox"/> 9) Other (specify)
<input type="checkbox"/> b) Retirement deductions for the last known period of service have been refunded. Request for recovery has been filed for possible future action.	Signature of authorized OPM official
<input type="checkbox"/> c) Retirement account for the last known period of service has not been received in the Office of Personnel Management. Request for recovery has been filed for possible future action.	Date
<input type="checkbox"/> d) Debtor has not filed an application for benefits. Request for recovery has been filed for possible future action.	Telephone number (including area code)
<input type="checkbox"/> e) Debtor has no amount to his credit in the Retirement Fund. Request for recovery has been filed for possible future action.	Title
<input type="checkbox"/> f) We are unable to identify the debtor from the data furnished. If you will fill in the missing identifying items and return all copies of the request, another attempt will be made.	Date

Standard Form 2805
Revised October 1986
Previous editions are not usable

Part 1 - To Office of Personnel Management

U.S. Office of Personnel Management
FPM Supplements 831.1 and 841.1
NSN 7540-00-634-4254
2805-106

9. Additional Information Regarding Employee Indebtedness (employee's rights under the Debt Collection Act of 1982)

ADDITIONAL INFORMATION REGARDING EMPLOYEE INDEBTEDNESS

Our records show that you are indebted as stated on the attached Bill for Collection (Form NFC-631). In accordance with your Department's salary offset procedures, we intend to collect this amount by offsetting your salary until the debt and all accumulated interest and other costs are paid in full unless we receive full payment within 30 days from the bill date. A deduction of 15% of your disposable pay will begin with Pay Period _____ and will continue until the debt is repaid unless a different repayment schedule is accepted by your agency:

Interest and other cost will be assessed in accordance with 4 CFR 102.13 and 13 USC 3717. The current rate of interest is _____ percent per annum.

As an employee, you have the following rights:

- The right to inspect the records relating to the debt.
- The right to enter into a written agreement for a repayment schedule which is different from the one proposed above, so long as your terms of repayment are agreeable with your agency.
- The right to a hearing conducted by an administrative law judge or a hearing official from outside the control of your Department. The hearing will consider the existence of the debt, the amount of the debt, and/or percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will stop the collection proceedings.
- The right to a final decision on the hearing at the earliest practical date, but not later than 60 calendar days after you file the hearing petition.
- The right to request a waiver of the indebtedness under 5 USC 5584, 10 USC 2774, or 32 USC 716. You may also question the amount or validity of the indebtedness by submitting a claim to the Comptroller General in accordance with General Accounting Office procedures.
- The right to have any monies paid on or deducted for the debt which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory provisions to the contrary.

If you wish to file a petition for a hearing, your agency must receive the petition within 30 days from the date on the Bill for Collection.

Any knowingly false or frivolous statements, representation, or evidence may subject you to disciplinary procedures under 5 USC Chapter 75, 5 CFR Part 752; penalties under the False Claim Act, 31 USC 3731; or criminal penalties under 18 USC 286, 287, 1001, and 1002.

Should you have any questions regarding this indebtedness, please contact your agency, or you may call (504) 255-_____.

Appendixes

This section contains the following appendixes:

- System Codes
- Department Codes

A. System Codes

System Code	Description
01	Travel Advances (ADVN)
02	Travel Vouchers (TVCH)
03	Transportation (Unused Tickets)
16	Transportation (Other)
25	Utilities (UTVN)
26	Telephones (TELE)
34	Gasoline (CRED)
40	Purchase Orders (PRCH)
45	Blanket Purchase Agreements (BPA)
61	Travel (TRVL)
64	Uniform Allowances (UNAL)
65	Casual Employees Time Reports (CETR)
67	Imprest Fund (IMPF)
68	Miscellaneous Payments (MISC)
77	Government Transportation (GVTS)
86	Thrift Savings Plan (TSP)
91	Payroll
92	Government Receivables (ABCO - Misc)
99	AMS Collections
SX	Special Payroll Processing System (SPPS)

B. Department Codes

Department Name	Alpha Department	Dept Code
Action	KG	44
Agriculture	AG	12
Appalachian Regional Commission	AP	46
Architect of the Capitol	LA	LA
Commerce	CM	13
Commission on Civil Rights	CC	37
Commission on Security and Cooperation in Europe	LL	09
Commodity Futures Trading Comm	CT	CT
Congressional Budget Office	LD	08
Copyright Royalty Tribunal	LR	22
Corp for Natl and Community SE	KS	KS
Drug Enforcement Admin	DJ	DE
Farm Credit Administration	FL	07
Farm Credit Insurance Corp	FK	FK
Farm Credit System Assistance Board	KB	78
Federal Communications Commission	FC	27
Federal Deposit Insurance Corporation	FD	51
Federal Emergency Management Agency	EM	58
Federal Housing Finance Board	FY	FY
Federal Mediation and Council Service	FM	FM
Federal Mine and Safety Board	RS	95
Federal Retirement Thrift Investment Board	IB	26
General Accounting Office	LG	05
Housing and Urban Development	HU	86
Inter Agency Council on the Homeless	HW	48
International Boundary and Water	GW	GW
John C. Stennis Center	LQ	02
Library of Congress	LC	03
Merit Systems Protection Board	BD	41
M.L.K. Federal Holiday Comm.	BP	BP
National Capital Planning Comm	NP	NP
National Endowment for the Arts	AH	59
National Foundation for Art and Hum.	AH	AH
National Gallery of Art	GA	66

Department Name	Alpha Department	Dept Code
National Labor Relations Board	NL	63
Occupational Safety and Health Review Commission	OS	38
Office of Congressional Compl.	ZG	ZG
Office of Government Ethics	GG	39
Office of Technology Assessment	LH	06
Personal Services Contractors	PS	PS
Small Business Administration	SB	73
Smithsonian Institution	SM	33
State	ST	19
Treasury	TR	20
U.S. Arch & Tran Barriers Com Bd	BT	BT
U.S. Botanic Gardens	LB	LB
U.S. Court of Veterans Appeals	JV	52
U.S. Capitol Police	LL	LL
U.S. Department of Justice	DJ	15
U.S. Department of Interior	IN	14
U.S. Information Agency	IA	67
U.S. Office of Special Counsel	FW	43

Glossary

Additional Information Regarding Employee Indebtedness. Explains employee's rights under the Debt Collection Act of 1982 and is issued on all debts exceeding 15 percent of an employee's disposable pay. It accompanies the Bill for Collection.

Bill for Collection. Used for (1) employee debts that are not related to salary overpayments, (2) for all debts of employees who have separated from his/her agency before the debt collection was completed, and (3) all other Federal or non-Federal debtors, with the exception of carrier billings.

Certified Letter for Indebtedness on a Separated Employee. Informs a separated employee of his/her indebtedness to the Government.

Consent Form. Serves as permission from the debtor to have his/her retirement account offset in repayment of the debt.

Debt. An amount owed to the U.S. Government from sources which included, but are not limited to, insured or guaranteed loans, fees, leases, rents, royalties, services, sales of real or personal property, overpayments, penalties, damages, interest, fines, and forfeitures (except those arising under the Uniform Code of Military Justice).

Disposable Pay. Any pay due an employee that remains after required deductions for Federal, State, and local income taxes; social security taxes, including Medicare taxes; Federal retirement programs, premiums for life and health benefits; and such other deductions required by law to be withheld.

Notification to Employee When Indebted to Another Department. Informs the employee of his/her indebtedness to a department and states the amount due. It also informs the employee that salary offset deductions are used to collect the debt if he/she is a NFC-payrolled employee.

Notice of Intent to Offset Salary. Issued on all employee indebtedness if the employee is payrolled at NFC.

Repayment Agreement. Issued on all debts exceeding 15 percent of an employee's disposable pay.

Request for Recovery of Debt Due the United States. Forwarded to OPM as notice of separation or retired employee's indebtedness to the Government and the need to make deductions from their retirement account in order to satisfy the debt. In ABCO, retirement accounts deposits are flagged for possible offset to cover the remaining indebtedness through coordination with OPM.

Salary Offset. An automatic deduction from an employee's disposable pay without his/her consent to satisfy a Government debt.

Waiver. A forgiveness of a debt owed by an employee to an agency as permitted by law.

Heading Index

This index provides an alphabetical list of all headings in the procedure. When a heading is referenced, you can use this index to locate the page number.

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[Completing Form AD-673. 11](#)

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